

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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COMMISSION

In the Matter of:

AN INVESTIGATION OF THE RELIABILITY)
MEASURES OF KENTUCKY'S)
JURISDICTIONAL ELECTRIC) ADMINISTRATIVE
DISTRIBUTION UTILITIES AND CERTAIN) CASE NO. 2006-00494
RELIABILITY MAINTENANCE PRACTICES)

ATTORNEY GENERAL'S POST-HEARING BRIEF

Comes now the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and tenders the following post-hearing brief in the above-styled matter.

A. Reliability Reporting Requirements

The Attorney General believes the Commission should consider phasing-in reliability reporting using standardized criteria, preferably based upon the existing IEEE reliability indices. For the foreseeable future, the reporting should be at the system level. After the Commission and the utilities gain some experience in the reporting of these indices, the Commission may want to consider the advantages and disadvantages (if any) of adding reporting based on the substation level. It appears the larger utilities already have the ability to track reliability to the circuit level, if not also to the end user level. In the event the Commission does decide to add additional reporting, it may wish to phase-in such additional reporting in order to give smaller utilities the time to make necessary preparations.

That being said, the Commission should also give careful consideration to the cost effectiveness of any requirements it imposes. In many if not most instances, costs would be passed on to ratepayers. The Attorney General does not believe ratepayers should be forced to pay for so-called “gold-plated” standards that do not pass on benefits to both the utility and its customers that are comparable to their respective costs.

B. Reliability Performance Standards

The Attorney General believes that overall, the RUS standard appears to be sound and has some merits. However, significant revisions would likely be required to address the needs of utilities serving urban areas. It does not appear to be appropriate to apply this standard to every electric utility in the state. Each utility’s own unique operational performance circumstances should be kept in mind.

C. Right of Way Management

The Attorney General believes that any decisions made concerning right-of-way standards should take into consideration the unique characteristics of each electric utility’s service territory. It would not be appropriate for the Commission to mandate a so-called “one size fits all” approach to mandating standards. Each utility needs a great deal of flexibility and discretion in reaching decisions about managing right of way.

The Attorney General believes it may be more appropriate to rely upon reliability performance measures designed to indicate when vegetation is the

cause of outages. Perhaps when a certain threshold of such outages is reached, a utility could then determine the appropriate action to be taken.

Finally, the Attorney General believes that in the event the Commission initiates any right of way management standards, such standards would need to accommodate any applicable local codes or ordinances governing tree trimming. Additionally, it appears that if any such standards are developed, they should preclude the practice of topping of trees.

Respectfully submitted,

GREGORY D. STUMBO
ATTORNEY GENERAL

A handwritten signature in black ink, appearing to read "Dennis G. Howard, II", is written over a horizontal line.

DENNIS G. HOWARD, II
LAWRENCE W. COOK
ASSISTANT ATTORNEYS GENERAL
1024 CAPITAL CENTER DRIVE,
SUITE 200
FRANKFORT KY 40601-8204
(502) 696-5453
FAX: (502) 573-8315

Certificate of Service and Filing

Counsel certifies that an original and ten photocopies of the foregoing were served and filed by hand delivery to Beth O'Donnell, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; counsel further states that true and accurate copies of the foregoing were mailed via First Class U.S. Mail, postage pre-paid, to:

Allen Anderson
South Kentucky R.E.C.C.
P. O. Box 910
Somerset, KY 42502-0910

Mark A. Bailey
Kenergy Corp.
P. O. Box 1389
Owensboro, KY 42302

Kent Blake
Director - Rates & Regulatory
Kentucky Utilities Company
c/o Louisville Gas & Electric Co.
P. O. Box 32010
Louisville, KY 40232-2010

Kent Blake
Director- State Regulation and Rates
Louisville Gas and Electric Company
P. O. Box 32010
Louisville, KY 40232-2010

Dudley Bottom, Jr.
Shelby Energy Cooperative, Inc.
620 Old Finchville Rd.
Shelbyville, KY 40065

Daniel W. Brewer
Blue Grass Energy Cooperative Corp.
P. O. Box 990
Nicholasville, KY 40340-0990

Jackie B. Browning
Farmers R.E.C.C.
P. O. Box 1298
Glasgow, KY 42141-1298

Sharon K. Carson
Finance & Accounting Manager
Jackson Energy Cooperative
115 Jackson Energy Lane
McKee, KY 40447

John J. Finnigan
Duke Energy Kentucky, Inc.
139 East Fourth Street
Cincinnati, OH 45202

Paul G. Embs
Clark Energy Cooperative, Inc.
P. O. Box 748
Winchester, KY 40392-0748

Carol H. Fraley
President and CEO
Grayson R.E.C.C.
109 Bagby Park
Grayson, KY 41143

Ted Hampton
Cumberland Valley Electric, Inc.
Highway 25E, P. O. Box 440
Gray, KY 40734

Larry Hicks
Salt River Electric Cooperative Corp.
111 West Brashear Avenue
P. O. Box 609
Bardstown, KY 40004

Kerry K. Howard
Licking Valley R.E.C.C.
P. O. Box 605
West Liberty, KY 41472

James L. Jacobus
Inter-County Energy Cooperative Corp.
P. O. Box 87
Danville, KY 40423-0087

Robert Hood
Sr. VP Engineering & Operations
Owen Electric Cooperative, Inc.
P. O. Box 400
Owenton, KY 40359

Burns E. Mercer
Meade County R.E.C.C.
P. O. Box 489
Brandenburg, KY 40108-0489

Vince Heuser
Nolin R.E.C.C.
411 Ring Rd.
Elizabethtown, KY 42701-8701

Timothy C. Mosher
American Electric Power
P. O. Box 5190
Frankfort, KY 40602

Barry L. Myers
Manager
Taylor County R.E.C.C.
P. O. Box 100
Campbellsville, KY 42719

G. Kelly Nuckols
Jackson Purchase Energy Corporation
P. O. Box 4030
Paducah, KY 42002-4030

Anthony P. Overbey
Fleming-Mason Energy Cooperative
P. O. Box 328
Flemingsburg, KY 41041

Bobby D. Sexton
President/General Manager
Big Sandy R.E.C.C.
504 11th Street
Paintsville, KY 41240-1422

Rick LoveKamp
Kentucky Utilities Company
c/o Louisville Gas & Electric Co.
P. O. Box 32010
Louisville, KY 40232-2010


Clayton O. Oswald
Taylor, Keller & Dunaway & Tooms
P. O. Box 905
London, KY 40743-0905

Hon. Frank N. King, Jr.
Attorney at Law
Dorsey, King, Gray, Norment & Hopgood
318 2nd St.
Henderson, KY 42420

Honorable Mark R. Overstreet
Attorney at Law
Stites & Harbison
P. O. Box 634
Frankfort, KY 40602-0634

Mellisa D Yates
Attorney
Denton & Keuler, LLP
P. O. Box 929
Paducah, KY 42002-0929

this 29th day of June, 2007


Assistant Attorney General